

7.2.2 Tax Incentive of the American Recovery and Reinvestment Act of 2009**Envelope Improvements to Existing Homes (1)**

--Increases existing tax credit to 30% of costs up to \$1,500 to upgrade building envelope to be compliant with codes for new construction. Upgrades to building shell, HVAC system, and windows and doors may qualify. Improvements must be installed between January 1, 2008 and December 31, 2010.

Renewable Energy Production Tax Credits

--Tax credit to 30% of costs for installation of on-site renewable energy equipment, with no caps on total investment. Tax credits for wind energy are available through 2012, while other renewables can receive a tax credit if placed into service through 2013.

Renewable Energy Investment Tax Credits

--Provides the option to take an investment tax credit in lieu of the production tax credit. This allows the full credit to be provided once a system is placed into service, rather than over the production period of the system. The goal of this option is to make financing a project less difficult.

Clean Renewable Energy Bonds

--\$1.6 billion to finance renewable energy generation. Funds are to be available in equal proportion to state/local/tribal governments, municipal utilities, and electric cooperatives.

Energy Conservation Bonds

--\$2.4 billion issued to states based on population. Bonds can be used to finance a variety of projects that reduce energy use.

Note(s): 1) Based on tax credit from Energy Policy Act of 2005. See the table "Tax Incentive of the Energy Policy Act of 2005."

Source(s): American Recovery and Reinvestment Act of 2009. February 17, 2009. Public Law 111-5; Sissine, et al. "American Recovery and Reinvestment Act of 2009. February 17, 2009. Public Law 111-5." Congressional Research Service. 2009; McDermott Will & Emory. "Energy Tax Provisions Included in American Recovery and Reinvestment Act of 2009." 2009.